

**EXHIBIT B**  
**COMMITTEE DECLARATION**

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

	X	
	:	
In re:	:	
	:	
THE FINANCIAL OVERSIGHT AND	:	PROMESA
MANAGEMENT BOARD FOR PUERTO RICO,	:	Title III
	:	
as representative of	:	Case No. 17-BK-3283 (LTS)
	:	
THE COMMONWEALTH OF PUERTO RICO, et al.,	:	Jointly Administered
	:	
Debtors. <sup>1</sup>	:	
	:	
	:	
	X	

**DECLARATION OF MARK RICHARD IN SUPPORT OF APPLICATION FOR  
ORDER, PURSUANT TO BANKRUPTCY CODE SECTION 1103(a) AND LOCAL  
RULE 2014-1(e) AUTHORIZING EMPLOYMENT AND RETENTION OF PAUL  
HASTINGS LLP AS COUNSEL TO OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS, EFFECTIVE AS OF JUNE 26, 2017**

I, Mark Richard, hereby declare under penalty of perjury:

1. I am Counsel to the President of the American Federation of Teachers, a member of the Official Committee of Unsecured Creditors (the “Committee”) of the above-captioned debtors (collectively, the “Debtors”). I submit this declaration in support of the *Application for Order, Pursuant to Bankruptcy Code Section 1103(a) and Local Rule 2014-1(e) Authorizing Employment and Retention of Paul Hastings LLP as Counsel to the Official Committee of Unsecured Creditors, Effective as of June 26, 2017* (the “Application”).<sup>2</sup> Unless otherwise

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808), and (iv) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284) (Last Four Digits of Federal Tax ID: 8474).

<sup>2</sup> Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Application.

stated in this declaration, I have personal knowledge of the facts set forth herein and, if called as a witness, would testify competently thereto.

2. This declaration is provided pursuant to Paragraph D.2 of the Appendix B Guidelines, which requests that any application for employment of an attorney under 11 U.S.C. § 1103 be accompanied by a verified statement from the client addressing the following:

- (a) The identity and position of the person making the verification. The person ordinarily should be the general counsel of the debtor or another officer responsible for supervising outside counsel and monitoring and controlling legal costs.
- (b) The steps taken by the client to ensure that the applicant's billing rates and material terms for the engagement are comparable to the applicant's billing rates and terms for other non-bankruptcy engagements and to the billing rates and terms of other comparably skilled professionals.
- (c) The number of firms the client interviewed.
- (d) If the billing rates are not comparable to the applicant's billing rates for other nonbankruptcy engagements and to the billing rates of other comparably skilled professionals, the circumstances warranting the retention of that firm.
- (e) The procedures the client has established to supervise the applicant's fees and expenses and to manage costs. If the procedures for the budgeting, review and approval of fees and expenses differ from those the client regularly employs in nonbankruptcy cases to supervise outside counsel, explain how and why. In addition, describe any efforts to negotiate rates, including rates for routine matters, or in the alternative to delegate such matters to less expensive counsel.

#### **The Committee's Selection of Counsel**

3. Following its formation on June 15, 2017, the Committee interviewed several law firms to represent the Committee as lead bankruptcy counsel in the Title III Cases. As a member of the Committee, I was directly involved with the Committee's selection process for counsel. After interviewing each of these firms, the Committee found Paul Hastings to be uniquely qualified to represent the Committee. Paul Hastings has extensive experience and knowledge of the chapter 11 bankruptcy process and a long history of representing official committees in

bankruptcy cases. Based on both the past experience of certain individual Committee members with Paul Hastings in other bankruptcy cases and Paul Hastings' broad and directly applicable skill set, the Committee decided to retain Paul Hastings.

#### **Rate Structure**

4. Paul Hastings has informed the Committee that its rates for bankruptcy representations are the same as its rates for non-bankruptcy representations. The hourly rates charged by Paul Hastings attorneys vary with the experience and seniority of the individuals assigned and not as a function of whether the services performed relate to a bankruptcy engagement or a non-bankruptcy engagement.

5. Paul Hastings also has informed the Committee that it endeavors to set hourly rates for its attorneys and paralegals at levels competitive to those charged by comparably skilled professionals in other law firms. Based on my experience retaining various law firms in other matters, and my participation in the interviews of the other firms considered for this engagement, Paul Hastings' hourly rates are consistent with the hourly rates charged by other law firms for bankruptcy-related services, and the Committee believes that, in light of the nature and complexity of these cases and Paul Hastings' qualifications, these rates, and the other terms and conditions of Paul Hastings' employment, are reasonable.

6. Paul Hastings has informed the Committee that its hourly rates are subject to periodic adjustments to reflect economic and other conditions. Paul Hastings has advised me that it will indicate in its periodic fee statements whether there has been any increase in the rates set forth in the Application. Paul Hastings will only charge its regular hourly rates in effect at the time services are rendered.

**Cost Supervision**

7. The Committee recognizes its responsibility to closely monitor the billing practices of their counsel to ensure that the fees and expenses remain consistent with the Committee's expectations and the exigencies of the Title III Cases.

8. The Committee and Paul Hastings expect to work together to develop a budget and staffing plan to comply with the U.S. Trustee's requests for information and disclosures and any orders of the Court, for the period from June 26, 2017 through September 30, 2017, recognizing that in the course of complex insolvency cases, there may be unforeseeable fees and expenses that the Committee and Paul Hastings will need to address. The Committee will review the invoices that Paul Hastings submits and, together with Paul Hastings, periodically amend the budget and staffing plans as the Title III Cases develop.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed this 10th day of July, 2017.

/s/ Mark Richard

Mark Richard

Name: Mark Richard

Title: Counsel to the President, American Federation of Teachers, solely in its capacity as member of the Committee (and not in its individual capacity); authorized by the Committee to sign this Declaration